

TOWN OF HOLLYWOOD PARK, TEXAS

**ANNUAL
FINANCIAL REPORT**

**FISCAL YEAR ENDED
SEPTEMBER 30, 2015**

TOWN OF HOLLYWOOD PARK
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

TABLE OF CONTENTS

INTRODUCTORY SCHEDULE

	PAGE
TITLE PAGE	i
TABLE OF CONTENTS	ii
PRINCIPAL OFFICERS	iv

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	3
BASIC FINANCIAL STATEMENTS.....	9
STATEMENT OF NET POSITION	10
STATEMENT OF ACTIVITIES	11
BALANCE SHEET - GOVERNMENTAL FUNDS.....	13
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	15
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS.....	16
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND AND CHANGES IN GOVERNMENTAL FUND BALANCES TO THE CHANGES IN NET ASSETS ON THE STATEMENT OF ACTIVITIES	18
STATEMENT OF NET POSITION – PROPRIETARY FUND	19
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUND.....	20
STATEMENT OF CASH FLOWS - PROPRIETARY FUND.....	21
NOTES TO BASIC FINANCIAL STATEMENTS.....	22
REQUIRED SUPPLEMENTARY INFORMATION.....	42
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL - GENERAL FUND	43
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL - ECONOMIC DEVELOPMENT CORPORATION.....	44
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS.....	45
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS- LAST YEAR.....	46
SCHEDULE OF TOWN CONTRIBUTIONS - LAST FISCAL YEAR	47

TOWN OF HOLLYWOOD PARK
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

TABLE OF CONTENTS (Continued)

FINANCIAL SECTION (Continued)

	PAGE
SUPPLEMENTARY INFORMATION.....	48
COMPARATIVE BALANCE SHEETS - GENERAL FUND.....	49
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND.....	50
COMPARATIVE BALANCE SHEETS - VENUE TAX FUND.....	51
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - VENUE TAX FUND	52
COMPARATIVE BALANCE SHEETS - ECONOMIC DEVELOPMENT CORPORATION	53
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ECONOMIC DEVELOPMENT CORPORATION	54
COMBINING BALANCE SHEETS - NONMAJOR GOVERNMENTAL FUNDS.....	55
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS.....	57
COMPARATIVE STATEMENTS OF NET POSITION - PROPRIETARY FUND.....	59
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND.....	60
COMPARATIVE STATEMENTS OF CASH FLOWS - PROPRIETARY FUND.....	61

TOWN OF HOLLYWOOD PARK

PRINCIPAL OFFICERS

TOWN OFFICIALS

MAYOR

CHRIS FAILS

TOWN COUNCIL

STEVE PHILLIPS

SUDIE SARTOR

DAVID NEUGEBAUER

CHRIS MURPHY

CULLEN SCHWARZ

TOWN SECRETARY

JANICE ALAMIA

ATTORNEY

MICHAEL S. BRENNAN

AUDITOR

ARMSTRONG, VAUGHAN & ASSOCIATES, P.C.

SHAREHOLDERS:
Nancy L. Vaughan, CPA
Deborah F. Fraser, CPA
Phil S. Vaughan, CPA



Armstrong, Vaughan & Associates, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Town Council
Town of Hollywood Park

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hollywood Park, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Town of Hollywood Park's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Town of Hollywood Park's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hollywood Park, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Town of Hollywood Park's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended September 30, 2015. Please read it in conjunction with the Town's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

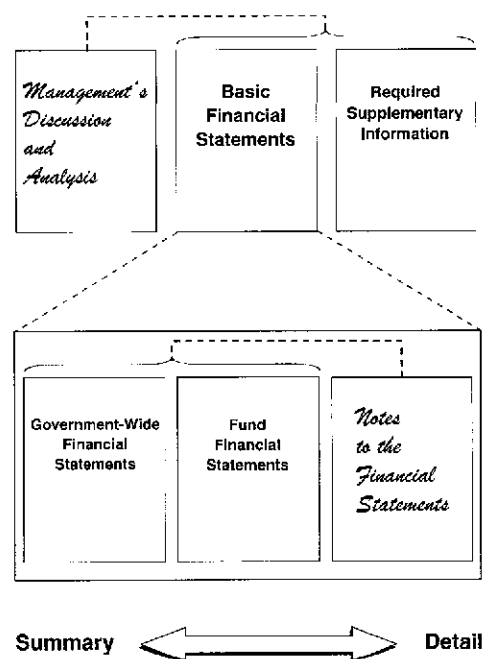
- The Town's total combined net position was \$8.6 million at September 30, 2015.
- During the year, the Town's governmental expenses were \$763 thousand less than the \$4.0 million generated in general and program revenues for governmental funds. The total cost of the Town's governmental programs decreased 3.9% from the prior year.
- The general fund reported a fund balance this year of \$2.6 million, an increase of 16.9%, largely due to the increase in ad valorem taxes and the first full year of the billboard license agreements.
- The Town agreed to a lease purchase of two vehicles during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the Town's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the Town's operations in more detail than the government-wide statements.
- The *governmental funds* statements tell how *general government services* were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*.

Figure A-1F, Required Components of the Town's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2. Major Features of the Town's Government-wide and Fund Financial Statements			
Type of Statements	Fund Statements		
	Government-wide	Governmental Funds	Proprietary Funds
<i>Scope</i>	Entire Town's government (except fiduciary funds) and the Town's component units	The activities of the town that are not proprietary or fiduciary	Activities of the Town that operate similar to private businesses: sewer
<i>Required financial statements</i>	• Statement of net position	• Balance Sheet	• Statement of net position
	• Statement of activities	• Statement of revenues, expenditures & changes in fund balances	• Statement of revenues, expenses & changes in net position • Statement of cash flows
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the Town's financial statements, including the portion of the Town government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-Wide Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how they have changed. Net position—the difference between the Town's assets and liabilities—is one way to measure the Town's financial health or *position*.

- Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town, one needs to consider additional non-financial factors such as changes in the Town's tax base.
- The government-wide financial statements of the Town include the *Governmental activities*. Most of the Town's basic services are included here, such as general government, public safety, highways and streets, sanitation, economic development, culture and recreation, and interest on long-term debt. Property taxes and charges for services finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's most significant *funds*—not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Town Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The Town has the following kinds of funds:

- *Governmental funds*—Most of the Town's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page, which explains the relationship (or differences) between them.
- *Proprietary funds*—Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town's combined net position was \$8.6 million at September 30, 2015. (See Table A-1).

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2015	2014*	2015	2014	2015	2014*	
<i>Assets:</i>							
Current Assets	\$ 5,516,741	\$ 5,075,683	\$ 176,313	\$ 159,446	\$ 5,693,054	\$ 5,235,129	8.7
Capital Assets (net)	3,731,415	3,612,063	-	-	3,731,415	3,612,063	3.3
<i>Total Assets</i>	<u>9,248,156</u>	<u>8,687,746</u>	<u>176,313</u>	<u>159,446</u>	<u>9,424,469</u>	<u>8,847,192</u>	6.5
<i>Deferred Outflows:</i>							
Deferred Pension Related Outflows	172,589	99,685	-	-	172,589	99,685	73.1
<i>Total Deferred Outflows</i>	<u>172,589</u>	<u>99,685</u>	<u>-</u>	<u>-</u>	<u>172,589</u>	<u>99,685</u>	73.1
<i>Liabilities:</i>							
Current Liabilities	448,324	704,473	11,510	8,202	459,834	712,675	(35.5)
Long-Term Liabilities	534,924	470,066	-	-	534,924	470,066	13.8
<i>Total Liabilities</i>	<u>983,248</u>	<u>1,174,539</u>	<u>11,510</u>	<u>8,202</u>	<u>994,758</u>	<u>1,182,741</u>	(15.9)
<i>Net Position:</i>							
Invested in Capital Assets	3,707,512	3,534,970	-	-	3,707,512	3,534,970	4.9
Restricted	2,148,629	2,034,441	-	-	2,148,629	2,034,441	5.6
Unrestricted	2,581,356	2,043,481	164,803	151,244	2,746,159	2,194,725	25.1
<i>Total Net Position</i>	<u>\$ 8,437,497</u>	<u>\$ 7,612,892</u>	<u>\$ 164,803</u>	<u>\$ 151,244</u>	<u>\$ 8,602,300</u>	<u>\$ 7,764,136</u>	10.8

*Note: Comparative information restated for adoption of GASB No. 68. See note A19 for more detail.

The unrestricted net position represents resources available to fund the programs of the Town next year.

Governmental Activities

- Property appraisal value increased for the fiscal year ending September 30, 2015, increasing property tax revenues by \$114 thousand to \$2.2 million.

Table A-2
Changes in Town's Net Position

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2015	2014*	2015	2014	2015	2014*	
<i>Program Revenues:</i>							
Charges for Services	\$ 231,547	\$ 246,739	\$ 115,217	\$ 92,946	\$ 346,764	\$ 339,685	2.1
Operating Grants and Contributions	8,446	6,966	-	-	8,446	6,966	21.2
<i>General Revenues:</i>							
Taxes	3,538,355	3,294,261	-	-	3,538,355	3,294,261	7.4
License Agreements	245,000	78,398	-	-	245,000	78,398	212.5
Interest Earnings	2,511	1,369	14	14	2,525	1,383	82.6
Miscellaneous	13,203	12,896	-	-	13,203	12,896	2.4
<i>Total Revenues</i>	<u>4,039,062</u>	<u>3,640,629</u>	<u>115,231</u>	<u>92,960</u>	<u>4,154,293</u>	<u>3,733,589</u>	11.3
<i>Program Expenses:</i>							
General Government	611,955	785,302	-	-	611,955	785,302	(22.1)
Police	924,292	867,357	-	-	924,292	867,357	6.6
Fire	968,695	956,297	-	-	968,695	956,297	1.3
Public Works	227,016	246,398	-	-	227,016	246,398	(7.9)
Municipal Court	84,098	90,953	-	-	84,098	90,953	(7.5)
Recreation	117,770	118,650	-	-	117,770	118,650	(0.7)
Sanitation	339,779	339,779	-	-	339,779	339,779	0.0
Sewer	-	-	101,672	94,078	101,672	94,078	8.1
Interest on Debt	2,158	4,055	-	-	2,158	4,055	(46.8)
<i>Total Expenses</i>	<u>3,275,763</u>	<u>3,408,791</u>	<u>101,672</u>	<u>94,078</u>	<u>3,377,435</u>	<u>3,502,869</u>	(3.6)
Change in Net Position	<u>\$ 763,299</u>	<u>\$ 231,838</u>	<u>\$ 13,559</u>	<u>\$ (1,118)</u>	<u>\$ 776,858</u>	<u>\$ 230,720</u>	(236.7)

* Note: Comparative information for 2014 has not been restated for the effects of the adoption of GASB Statement No. 68 as information is not available to restate.

Table A-3 presents the cost of each of the Town's largest functions, as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars. The cost of all *governmental* activities this year was \$3.3 million. Taxpayers paid for 67.5% of these activities through property taxes of \$2.2 million. 7.1% of the cost was paid by those who directly benefited from the programs.

Table A-3
Net Cost of Selected Town Functions

	Total Cost of Services			Net Cost of Services		
	2015	2014*	Percentage Change	2015	2014*	Percentage Change
General Government	\$ 611,955	\$ 785,302	(22.1)	\$ 508,945	\$ 679,409	(25.1)
Police	924,292	867,357	6.6	916,353	861,003	6.4
Fire	968,695	956,297	1.3	967,278	954,375	1.4
Public Works	227,016	246,398	(7.9)	227,016	246,398	(7.9)
Municipal Court	84,098	90,953	(7.5)	(31,965)	(36,048)	(11.3)
Recreation	117,770	118,650	(0.7)	106,206	106,115	0.1
Sanitation	339,779	339,779	0.0	339,779	339,779	0.0
Sewer	101,672	94,078	8.1	(13,545)	1,132	(1296.6)

Business-Type Activities

Revenues of the Town's Sewer business-type activities increased 24.0% to \$115 thousand, and operating expenses increased 8.1% to \$102 thousand. San Antonio Water System (SAWS) bills these accounts for the Town and charges the Town for the consumption. Expenditures are affected by the SAWS rates, while the revenues are based on the Town's established rates. Fluctuations in revenues and expenses are primarily related to changes in rates, as the Town increased their rates in July 2014 for the first time in years. The Fiscal year ending September 30, 2015 was the first full year of the Town's increased rates, SAWS is known to slightly increase their rates annually in January.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Revenues from governmental fund types totaled \$4.0 million, an increase of 11.0% from the preceding year. The increase is attributable to the ad valorem taxes and the Clear Channel billboards agreement.

Budgetary Highlights

The Town's actual expenditures in the General Fund were \$126 thousand less than budgeted amounts, and the Economic Development Corporation's expenditures were over budget by \$9 thousand, due to the expenditures related to the city hall roof replacement and marquee.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2015, the Town had invested \$6.7 million in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.)

Table A-4
Town's Capital Assets
(in thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2015	2014	2015	2014	2015	2014	
Land	\$ 572	\$ 572	\$ -	\$ -	\$ 572	\$ 572	0.0
Buildings and Improvements	2,510	2,510	-	-	2,510	2,510	0.0
Equipment	2,042	1,896	-	-	2,042	1,896	7.7
Infrastructure	1,234	1,234	-	-	1,234	1,234	0.0
Construction in Progress	297	29	-	-	297	29	924.1
Totals at Historical Cost	6,655	6,241	-	-	6,655	6,241	6.6
Total Accumulated Depreciation	(2,922)	(2,628)	-	-	(2,922)	(2,628)	11.2
Net Capital Assets	<u>\$ 3,733</u>	<u>\$ 3,613</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,733</u>	<u>\$ 3,613</u>	3.3

More detailed information about the Town's capital assets is presented in the notes to the financial statements.

Long Term Debt

At year-end the Town had a capital lease of \$24 thousand outstanding as shown in Table A-5. The Town has no bonds. More detailed information about the Town's debt is presented in the notes to the financial statements.

Table A-5
Town's Long-Term Debt
(in thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2015	2014	2015	2014	2015	2014	
Capital Leases	\$ 24	\$ 77	\$ -	\$ -	\$ 24	\$ 77	(69.0)
Total Long-Term Debt	<u>\$ 24</u>	<u>\$ 77</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ 77</u>	<u>(69.0)</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal year 2016 budget, tax rates, and fees that will be charged. The economic outlook for Bexar County remains stable. The Town's budget levels remain similar to previous years.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Town Hall at (210) 494-2023.



BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government – Wide Financial Statements
- Fund Financial Statements:
 - Governmental Funds
 - Proprietary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.



TOWN OF HOLLYWOOD PARK
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 5,210,583	\$ 118,637	\$ 5,329,220
Receivables (net of allowances for uncollectibles):			
Ad Valorem Taxes	87,701	-	87,701
Other	245,604	27,791	273,395
Due from Other Funds	(29,885)	29,885	-
Prepaid Expenses	2,738	-	2,738
Capital Assets:			
Land	571,586	-	571,586
Buildings and Improvements	2,509,595	-	2,509,595
Vehicles and Equipment	2,041,754	-	2,041,754
Infrastructure	1,234,010	-	1,234,010
Construction in Progress	296,869	-	296,869
Accumulated Depreciation	(2,922,399)	-	(2,922,399)
TOTAL ASSETS	<u>9,248,156</u>	<u>176,313</u>	<u>9,424,469</u>
DEFERRED OUTFLOWS			
Deferred Pension Related Outflows	172,589	-	172,589
TOTAL DEFERRED OUTFLOWS	<u>172,589</u>	<u>-</u>	<u>172,589</u>
LIABILITIES			
Accounts Payable	142,916	11,510	154,426
Accrued Expenses	62,336	-	62,336
Deposits	2,500	-	2,500
Unearned Billboard Revenue	123,562	-	123,562
Accrued Compensated Absences	96,556	-	96,556
Capital Lease Due Within One Year	20,454	-	20,454
<i>Noncurrent Liabilities:</i>			
Capital Lease Due in More Than One Year	3,449	-	3,449
Net Pension Liability	531,475	-	531,475
TOTAL LIABILITIES	<u>983,248</u>	<u>11,510</u>	<u>994,758</u>
NET POSITION			
Net Investment in Capital Assets	3,707,512	-	3,707,512
Restricted for:			
Tourism Development	153,806	-	153,806
Economic Development	264,281	-	264,281
Venue Construction and Maintenance	1,347,599	-	1,347,599
Municipal Court	21,043	-	21,043
Street Maintenance	334,477	-	334,477
Police	1,449	-	1,449
Donor Stipulations	4,743	-	4,743
Public Service	21,231	-	21,231
Unrestricted	2,581,356	164,803	2,746,159
TOTAL NET POSITION	<u>\$ 8,437,497</u>	<u>\$ 164,803</u>	<u>\$ 8,602,300</u>

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Functions and Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
<i>Governmental Activities:</i>				
General and Administrative	\$ 611,955	\$ 103,010	\$ -	\$ -
Police	924,292	910	7,029	-
Fire	968,695	-	1,417	-
Public Works	227,016	-	-	-
Municipal Court	84,098	116,063	-	-
Recreation	117,770	11,564	-	-
Sanitation	339,779	-	-	-
Interest on Long-term Debt	2,158	-	-	-
<i>Total Governmental Activities</i>	<u>3,275,763</u>	<u>231,547</u>	<u>8,446</u>	<u>-</u>
<i>Business-Type Activities:</i>				
Sewer	<u>101,672</u>	<u>115,217</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 3,377,435</u>	<u>\$ 346,764</u>	<u>\$ 8,446</u>	<u>\$ -</u>
General Revenues:				
Taxes				
Ad Valorem Taxes				
Franchise Taxes				
Sales Taxes				
Hotel Occupancy Tax				
License Agreements				
Interest and Investment Earnings				
Miscellaneous				
Total General Revenues				
Change in Net Position				
Net Position at Beginning of Year				
Prior Period Adjustment				
Net Position at End of Year				

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position
Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (508,945)		\$ (508,945)
(916,353)		(916,353)
(967,278)		(967,278)
(227,016)		(227,016)
31,965		31,965
(106,206)		(106,206)
(339,779)		(339,779)
(2,158)		(2,158)
<u>(3,035,770)</u>		<u>(3,035,770)</u>
	\$ 13,545	13,545
		<u>(3,022,225)</u>
2,209,932	-	2,209,932
313,458	-	313,458
972,733	-	972,733
42,232	-	42,232
245,000	-	245,000
2,511	14	2,525
13,203	-	13,203
<u>3,799,069</u>	<u>14</u>	<u>3,799,083</u>
763,299	13,559	776,858
7,983,273	151,244	8,134,517
<u>(309,075)</u>	<u>-</u>	<u>(309,075)</u>
<u>\$ 8,437,497</u>	<u>\$ 164,803</u>	<u>\$ 8,602,300</u>

TOWN OF HOLLYWOOD PARK
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Major Fund General Fund	Major Fund Venue Tax	Major Fund Economic Development
ASSETS			
Cash and Cash Equivalents	\$ 2,642,215	\$ 1,354,620	\$ 285,212
Receivables (net of allowances for uncollectibles):			
Property Taxes	87,701	-	-
Other Receivables	149,458	41,491	20,746
Due from Other Funds	46,170	-	-
Prepaid Items	-	-	2,738
TOTAL ASSETS	\$ 2,925,544	\$ 1,396,111	\$ 308,696
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 78,353	\$ 48,512	\$ 2,587
Accrued Expenditures	62,336	-	-
Deposits	2,500	-	-
Due to Other Funds	31,355	-	39,090
Unearned Billboard Revenue	123,562	-	-
<i>Total Liabilities</i>	<u>298,106</u>	<u>48,512</u>	<u>41,677</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Property Tax Revenue	72,304	-	-
<i>Total Deferred Inflows of Resources</i>	<u>72,304</u>	<u>-</u>	<u>-</u>
<i>Fund Balances:</i>			
Nonspendable for:			
Prepaid Items	-	-	2,738
Restricted for:			
Tourism Development	-	-	-
Economic Development	-	-	264,281
Venue Construction and Maintenance	-	1,347,599	-
Municipal Court	-	-	-
Street Maintenance	-	-	-
Police	-	-	-
Donor Stipulations	-	-	-
Public Service	-	-	-
Assigned for:			
Capital Projects	-	-	-
Unassigned	2,555,134	-	-
<i>Total Fund Balances</i>	<u>2,555,134</u>	<u>1,347,599</u>	<u>267,019</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,925,544	\$ 1,396,111	\$ 308,696

See accompanying notes to basic financial statements.

Other Nonmajor Funds	Total Governmental Funds
\$ 928,536	\$ 5,210,583
-	87,701
33,909	245,604
1,470	47,640
-	2,738
<u>\$ 963,915</u>	<u>\$ 5,594,266</u>

\$ 13,464	\$ 142,916
-	62,336
-	2,500
7,080	77,525
-	123,562
<u>20,544</u>	<u>408,839</u>
-	72,304
-	<u>604,705</u>

-	2,738
153,806	153,806
-	264,281
-	1,347,599
21,043	21,043
334,477	334,477
1,449	1,449
4,743	4,743
21,231	21,231
406,622	406,622
-	2,555,134
<u>943,371</u>	<u>5,113,123</u>
<u>\$ 963,915</u>	<u>\$ 5,594,266</u>



TOWN OF HOLLYWOOD PARK
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$	5,113,123
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		3,731,415
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		72,304
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Accrued compensated absences are not due and payable in the current period and, therefore, not reported in the funds.		(96,556)
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Long-term liabilities, including capital leases, are not due and payable in the current period and, therefore, not reported in the funds.		(23,903)
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Net pension liabilities (and related deferred outflows of resources) do not consume current financial resources and are not reported in the funds.

Net Pension Liability	(531,475)		
Pension Related Deferred Outflows	172,589		(358,886)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$	8,437,497
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TOWN OF HOLLYWOOD PARK
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Major Fund General Fund	Major Fund Venue Tax	Major Fund Economic Development
REVENUES			
Ad Valorem Taxes	\$ 2,189,672	\$ -	\$ -
Franchise Fees	307,808	-	-
Sales Taxes	490,707	241,013	120,507
Hotel Occupancy Tax	-	-	-
Fines and Penalties	111,152	-	-
Licenses and Permits	99,140	-	-
License Agreements	245,000	-	-
Interest Income	1,440	673	133
Grants and Donations	-	-	-
Miscellaneous	32,500	-	1,983
TOTAL REVENUES	<u>3,477,419</u>	<u>241,686</u>	<u>122,623</u>
EXPENDITURES			
<i>Current:</i>			
General and Administrative	459,752	-	77,492
Police	899,328	-	-
Fire	921,125	-	-
Public Works	134,001	-	-
Municipal Court	82,143	-	-
Recreation	48,091	5,515	-
Sanitation	339,779	-	-
Capital Outlay	178,403	115,344	36,352
<i>Debt Service:</i>			
Principal	93,827	-	-
Interest and Fiscal Charges	4,020	-	-
TOTAL EXPENDITURES	<u>3,160,469</u>	<u>120,859</u>	<u>113,844</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	316,950	120,827	8,779
OTHER FINANCING SOURCES (USES)			
Proceeds from Disposal of Capital Assets	12,384	-	-
Proceeds from Issuance of Capital Lease	40,637	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>53,021</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	369,971	120,827	8,779
Fund Balances at Beginning of Year	<u>2,185,163</u>	<u>1,226,772</u>	<u>258,240</u>
Fund Balances at End of Year	<u>\$ 2,555,134</u>	<u>\$ 1,347,599</u>	<u>\$ 267,019</u>

See accompanying notes to basic financial statements.

Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ 2,189,672
5,649	313,457
120,507	972,734
42,232	42,232
6,747	117,899
-	99,140
-	245,000
265	2,511
2,833	2,833
-	34,483
<u>178,233</u>	<u>4,019,961</u>
30,828	568,072
5,526	904,854
1,520	922,645
-	134,001
-	82,143
-	53,606
-	339,779
153,002	483,101
-	93,827
-	4,020
<u>190,876</u>	<u>3,586,048</u>
(12,643)	433,913
-	12,384
-	<u>40,637</u>
-	<u>53,021</u>
(12,643)	486,934
<u>956,014</u>	<u>4,626,189</u>
<u>\$ 943,371</u>	<u>\$ 5,113,123</u>



TOWN OF HOLLYWOOD PARK
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$	486,934
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation.		130,196
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Governmental funds report proceeds from the disposition of capital assets as other financing sources and uses. On the Statement of Activities these proceeds are reducing the net book value of the capital assets disposed. This amount represents the net book value of capital assets disposed.		(10,844)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		20,259
--	--	--------

Governmental funds report required contributions to employee pensions as expenditures. However in the Statement of Activities the cost of the pension is recorded based on the actuarially determined cost of the plan. This is the amount that contributions exceeded the actuarially determined pension expense.		11,495
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The issuance of long-term debt (e.g. bonds and capital leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds from the Issuance of Capital Lease	(40,637)	
Principal Payments	93,827	53,190

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in Compensated Absences	70,207	
Change in Accrued Interest	1,862	72,069

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$	763,299
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See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2015

	Business-Type Activities Sewer Fund
ASSETS	
Cash and Cash Equivalents	\$ 118,637
Receivables (net of allowances for uncollectibles)	27,791
Due From General Fund	29,885
TOTAL ASSETS	<u>176,313</u>
LIABILITIES	
Accounts Payable	<u>11,510</u>
TOTAL LIABILITIES	<u>11,510</u>
NET POSITION	
Unrestricted	164,803
TOTAL NET POSITION	<u><u>\$ 164,803</u></u>

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR SEPTEMBER 30, 2015

	Business-Type Activities Sewer Fund
OPERATING REVENUES	
Charges for Utility Service	\$ 115,217
TOTAL OPERATING REVENUES	<u>115,217</u>
OPERATING EXPENSES	
Waste Water Treatment Fees	101,672
TOTAL OPERATING EXPENSES	<u>101,672</u>
OPERATING INCOME (LOSS)	<u>13,545</u>
NONOPERATING REVENUES (EXPENSES)	
Interest Income	14
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>14</u>
CHANGE IN NET POSITION	13,559
NET POSITION AT BEGINNING OF YEAR	<u>151,244</u>
NET POSITION AT END OF YEAR	<u><u>\$ 164,803</u></u>

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-Type Activities Sewer Fund
Cash Flows From Operating Activities:	
Cash Received From Customers	\$ 97,686
Cash Paid to Suppliers for Goods and Services	(98,364)
Net Cash Provided (Used) by Operating Activities	<u>(678)</u>
Cash Flows From Investing Activities:	
Investment Interest Received	14
Net Cash Provided (Used) by Investing Activities	<u>14</u>
Cash Flows From Noncapital Financing Activities:	
Interfund Borrowings	(29,885)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(29,885)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(30,549)
Cash and Cash Equivalents at Beginning of Year	<u>149,186</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 118,637</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 13,545
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in Operating Assets:	
Accounts Receivable	(17,531)
Increase (Decrease) in Current Liabilities:	
Accounts Payable	3,308
Total Adjustments to Reconcile Operating Activities	<u>(14,223)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (678)</u></u>

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Hollywood Park, Texas ("Town") was incorporated in 1955 under the provisions of the State of Texas. The Town operates under a General Law Charter, which was adopted October 5, 1951. The Town provides the following services as authorized by its charter: police and fire protection, sanitation, parks and recreation, general administrative services, and sewer services.

The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. REPORTING ENTITY

Component Units

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations; thus, data from these units, if any existed, would be combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the government. As of September 30, 2015, the Town had one component unit that is blended in these financial statements:

Hollywood Park Economic Development Corporation

The Town exerts significant control over the Economic Development Corporation (EDC), a legally separate entity. The EDC uses the taxing authority of the Town and exists only to benefit the Town and its community. Town Council appoints all members of the Board and approves all expenditures. This qualifies the EDC as a component unit, which is recorded as a separate fund of the Town, using the blended method described in the previous paragraph. The EDC collects a ¼ cent sales tax to promote the economic growth in the Town of Hollywood Park. The EDC does not issue separate financial statements.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the Town. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

The statement of activities reflects the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental funds and proprietary funds. The General Fund, Venue Tax Fund and Economic Development Fund all meet the criteria as *major governmental funds*.

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue types which have been accrued consist of revenue from the investments, property taxes, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues*. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs, investment earnings, and other miscellaneous revenues.

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

The government reports the following major governmental funds:

The General Fund is the general operating fund of the Town and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, police, fire, recreation, public works, municipal court and sanitation.

Venue Tax Fund is used to account for proceeds from a ½ cent sales tax to fund various venues in the Town. Currently it is funding the development and operations of Triangle Park and Voigt Center.

Economic Development Fund is used to account for the ¼ cent sales tax used to promote business development in the Town. This fund is a separate legal entity reported as a blended component unit of the Town.

The Town has the following nonmajor governmental funds: Court Technology, Court Security, Grants & Donations, PEG Fund, Voigt Center Maintenance, Asset Forfeiture, Hotel Tax, Capital Projects, Street Maintenance, and Asset Seizure.

Proprietary fund level financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The Town's Proprietary Fund is the Sewer Fund (used to account for the provision of sewer services to residents).

The **Proprietary Fund** is accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
2. Current-year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the Town.

5. INVESTMENTS

State statutes authorize the Town to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations. The Town has all its monies in interest bearing checking accounts, savings accounts, and government investment pools. Earnings from these investments are added to each account monthly or quarterly. Investments are carried at fair market value except for certificates of deposit which are carried at amortized cost.

6. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2014 and past due after January 31, 2015. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior years' levy are shown net of an allowance for uncollectibles; however, presently the Town estimates that all accounts are collectible.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the Town. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred revenue in the fund statements. Receivables are shown net of an allowance for uncollectibles.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. PREPAID ITEMS

Payments made for goods and services in advance are recorded as prepaid items on the balance sheet.

8. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

9. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period while a deferred inflow of resources is an acquisition of net position. These items are presented in separate section following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

Property tax revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue not expected to be available for the current period are reflected as deferred revenue. Unavailable revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Grant and reimbursement revenues received in advance of expenses/expenditures are reflected as unavailable revenue.

10. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$2,000 or more and a useful life in excess of 1 year. Infrastructure assets include Town-owned streets, sewer, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest has not been capitalized during the construction period on property plant and equipment.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. CAPITAL ASSETS (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Estimated Life</u>
Buildings and Improvements	5 to 30 years
Streets and Infrastructure	5 to 25 years
Furniture, Fixtures, Vehicles	5 to 25 years

11. COMPENSATED ABSENCES

Full-time employees earn vacation leave at varying rates depending on length of service and department worked. No more than 20 days (160 hours for regular employees, 240 for firefighters, and 200 hours for police) may be carried over annually. Accumulated vacation leave is paid on termination.

Full-time employees earn sick leave monthly at varying rates depending on their department. Sick leave benefits carryover each year up to a maximum of 584 hours for regular employees, 876 hours for firefighters and 730 hours for police. Unused sick leave is not paid upon termination. Liabilities for compensated absences are recognized in the fund statements only to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

12. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt (including capital leases) and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premiums and discounts are deferred and amortized over the life of the bond. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

13. PENSIONS

The net pension liability, deferred inflows and outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS), and additions to and deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. FUND BALANCES

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted - Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed - Represents amounts that can only be used for a specific purpose by a resolution of Town Council. Committed amounts cannot be used for any other purpose unless the Town Council removes those constraints through the same formal action.

Assigned - Represents amounts which the Town intends to use for a specific purpose but do not meet the criteria of restricted or committed. Assignments may be created by the Council or Finance Director.

Unassigned - Represents the residual balance that may be spent on any other purpose of the Town.

When an expenditure is incurred for a purpose in which multiple classifications are available, the Town considers restricted balances spent first, committed second and assigned third.

15. NET POSITION

Net position represents the difference between assets and liabilities. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

16. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the Town, those revenues are charges for sewer services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as nonoperating.

17. INTERFUND TRANSFERS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

18. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

19. ADOPTION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT

For the year ending September 30, 2015, the Town implemented GASB Statement No. 68 related to accounting for pensions. This new standard requires the Town plan's net pension liability and related deferred inflows and outflows of resources to be recognized on the Town's government-wide statements. This change required a prior period adjustment to restate prior years in accordance with the change in accounting principle. The prior period adjustment recorded represents the net pension liability at September 30, 2014.

NOTE B -- DEPOSITS AND INVESTMENTS

The Town's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the Town's agent bank approved pledge securities in an amount sufficient to protect Town funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Deposits

At September 30, 2015, the carrying amount of deposits at Frost Bank was covered by federal deposit insurance (FDIC) of \$250,000 and the Town's depository had pledged securities having a face value of \$1,991,907 and market value of \$2,241,748 as collateral for the Town's deposits. All of the Town's cash was fully collateralized.

2. Investments

The Town is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the Town adhered to the requirements of the Act. Additionally, investment practices of the Town were in accordance with local policies.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE B -- DEPOSITS AND INVESTMENTS (Continued)

2. Investments (Continued)

The Act determines the types of investments which are allowable for the Town. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The Town's investment policy further limits investments to: (1) federally insured bank deposits, (2) collateralized bank deposits, (3) U.S. Government Treasury bills and notes, including sweep accounts that invest in them, (4) U.S. Government Agencies, and (5) Public Funds Investment Pools. No other investments may be made without authorization of Town Council.

The Town's investments at September 30, 2015 consist of \$4,539,303 in TexPool, a 2a7 like public funds investment pool. TexPool operates in accordance with the provisions of the Texas Public Funds Investment Act and is rated AAAM. The investment in TexPool is included in cash and cash equivalents.

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the Town was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the Town was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the Town's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the Town's name. At year end, the Town was not significantly exposed to custodial credit risk.

c. Concentration of Credit Risk

The risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the Town was not exposed to a concentration of credit risk.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE B -- DEPOSITS AND INVESTMENTS (Continued)

3. Analysis of Specific Deposit and Investment Risks (Continued)

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year-end, the Town was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the Town was not exposed to foreign currency risk.

4. Investment Accounting Policy

The Town's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

NOTE C -- PROPERTY TAX CALENDAR

The Town's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of the prior January 1, which is the date a lien attaches to all taxable property in the Town. Assessed values are established by the Bexar County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2014, upon which the fiscal 2015 levy was based, was \$432,287,048 (i.e., market value less exemptions). The estimated market value was \$445,180,166, making the taxable value 97.1% of the estimated market value.

The Town is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2015, was \$0.511 per \$100 of assessed value, which means that the Town has a tax margin of \$1.989 for each \$100 value and could increase its annual tax levy by approximately \$8,598,189 based upon the present assessed valuation before the limit is reached.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE C -- PROPERTY TAX CALENDAR (Continued)

However, the Town may not adopt a tax rate that exceeds the effective tax rate calculated in accordance with the Texas Property Tax Code without holding two public hearings. The Property Tax Code subjects an increase in the proposed tax rate to a referendum election, if petitioned by registered voters, when the effective tax rate increase is more than eight percent (8%) of the previous year's maintenance and operations tax rate

NOTE D -- OTHER RECEIVABLES

Other receivables for the Town as of September 30, 2015 are as follows:

<i>Primary Government</i>	General Fund	Venue Tax	EDC	Nonmajor Funds	Totals
Sales and Mixed Beverage Tax	\$ 85,286	\$ 41,491	\$ 20,746	\$ 20,746	\$ 168,269
Franchise Tax	62,674	-	-	1,278	63,952
Hotel Occupancy Tax	-	-	-	11,885	11,885
Miscellaneous	1,498	-	-	-	1,498
Total Other Receivables	<u>\$ 149,458</u>	<u>\$ 41,491</u>	<u>\$ 20,746</u>	<u>\$ 33,909</u>	<u>\$ 245,604</u>

NOTE E -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015, was as follows:

<i>Governmental Activities</i>	Balance 10/1/2014	Additions	Disposals/ Transfers	Balance 9/30/2015
Land	\$ 571,586	\$ -	\$ -	\$ 571,586
Buildings and Improvements	2,509,595	-	-	2,509,595
Vehicles and Equipment	1,896,424	214,755	(69,425)	2,041,754
Infrastructure	1,234,010	-	-	1,234,010
Construction in Progress	28,523	268,346	-	296,869
	<u>6,240,138</u>	<u>483,101</u>	<u>(69,425)</u>	<u>6,653,814</u>
Less Accumulated Depreciation				
Buildings and Improvements	(969,744)	(109,418)	-	(1,079,162)
Vehicles and Equipment	(1,137,070)	(146,824)	58,581	(1,225,313)
Infrastructure	(521,261)	(96,663)	-	(617,924)
	<u>(2,628,075)</u>	<u>(352,905)</u>	<u>58,581</u>	<u>(2,922,399)</u>
Governmental Capital Assets, Net	<u>\$ 3,612,063</u>	<u>\$ 130,196</u>	<u>\$ (10,844)</u>	<u>\$ 3,731,415</u>

Land and Construction in Progress are not depreciated.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE E -- CAPITAL ASSETS (Continued)

Depreciation expense was charged to the governmental functions as follows:

Administration	\$ 48,393
Municipal Court	3,889
Police Department	45,871
Fire Department	94,335
Public Works	97,773
Recreation	62,644
Total Depreciation Expense - Governmental Activities	<u>\$ 352,905</u>

NOTE F -- LONG-TERM DEBT

Capital Lease

On November 18, 2014, the Town agreed to lease purchase two vehicles, one for the police department and the other for the fire department, through Frost Bank. The agreement was for \$40,637 financed through a lease that commenced on December 1, 2014 and requires twenty-four monthly payments of \$1,729 beginning on that date. The lease has an effective interest rate of 2.01%. The vehicles are included in capital assets for a cost of \$40,637 with accumulated depreciation of \$3,386 as of September 30, 2015.

Changes in Long-Term Liabilities

<u>Governmental Activities</u>	<u>Balance 10/1/2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 9/30/2015</u>	<u>Due Within One Year</u>
<i>Capital Leases:</i>					
Fire Truck	\$ 77,093	\$ -	\$ (77,093)	\$ -	\$ -
Police Department Vehicle	-	15,036	(6,192)	8,844	7,568
Fire Department Vehicle	-	25,601	(10,542)	15,059	12,886
Total Governmental Activities	<u>77,093</u>	<u>40,637</u>	<u>(93,827)</u>	<u>23,903</u>	<u>20,454</u>
 Total Primary Government	 <u>\$ 77,093</u>	 <u>\$ 40,637</u>	 <u>\$ (93,827)</u>	 <u>\$ 23,903</u>	 <u>\$ 20,454</u>

The annual requirements to amortize all long-term debt and obligations outstanding as of September 30, 2015, including interest payments, are as follows:

<u>Year Ending September 30,</u>	<u>Lease Payments</u>
2016	\$ 20,747
2017	3,458
	<u>24,205</u>
Less: Amount Representing Interest	(302)
	<u>\$ 23,903</u>

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS

Texas Municipal Retirement System

Plan Description

The Town participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the state of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

All eligible employees of the Town are required to participate in TMRS retirement system

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the Town-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

	2013	2014
Inactive employees or beneficiaries currently receiving benefits	16	16
Inactive employees entitled to but not yet receiving benefits	18	18
Active employees	30	31
	<u>64</u>	<u>65</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the Town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Contributions (Continued)

For the year ending September 30, 2015, employees for the Town were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the Town were 8.84% and 9.08% in calendar years 2014 and 2015, respectively. The Town's contributions to TMRS for the year ended September 30, 2015 were \$143,917, and were equal to the required contributions.

Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.00% per year
Salary Increases	3.50% to 12.00%, including inflation
Investment Rate of Return*	7.00%

* Presented net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Health Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used with slight adjustments.

Actuarial assumptions used in the December 31, 2014 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding the expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.80%
International Equity	17.50%	6.05%
Core Fixed Income	30.00%	1.50%
Non-Core Fixed Income	10.00%	3.50%
Real Return	5.00%	1.75%
Real Estate	10.00%	5.25%
Absolute Return	5.00%	4.25%
Private Equity	5.00%	8.50%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Changes in the Net Pension Liability

The below schedule presents the changes in the Net Pension Liability as of December 31, 2014:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2013	\$ 4,274,860	\$ 3,804,794	\$ 470,066
Changes for the year:			
Service Cost	174,018	-	174,018
Interest	300,955	-	300,955
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	32,193	-	32,193
Changes of Assumptions	-	-	-
Contributions - Employer	-	136,240	(136,240)
Contributions - Employee	-	94,284	(94,284)
Net Investment Income	-	217,692	(217,692)
Benefit Payments, Including Refunds of Employee Contributions	(125,037)	(125,037)	-
Administrative Expense	-	(2,272)	2,272
Other Changes	-	(187)	187
Net Changes	382,129	320,720	61,409
Balance at December 31, 2014	\$ 4,656,989	\$ 4,125,514	\$ 531,475

Sensitivity of the net pension liability to changes in the discount rate.

The following presents the net pension liability of the Town, calculated using the discount rate of 7.0%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	Discount Rate 6%	Discount Rate 7%	Discount Rate 8%
Net Pension Liability (Asset)	\$ 1,306,242	\$ 531,475	\$ (92,186)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended September 30, 2015, the Town recognized pension expense of \$132,422. Also as of September 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ 26,312	\$ -
Changes in Actuarial Assumptions	-	-
Differences Between Projected and Actual Investment Earnings	38,915	-
Contributions Subsequent to the Measurement Date	107,362	-
	<u>\$ 172,589</u>	<u>\$ -</u>

Deferred outflows of resources in the amount of \$107,362 is related to pensions resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended December 31,	
2015	\$ 15,610
2016	15,610
2017	15,610
2018	15,609
2019	2,788
	<u>\$ 65,227</u>

NOTE H -- OTHER POSTEMPLOYMENT BENEFIT

The Town also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The Town elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The Town may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE H -- OTHER POSTEMPLOYMENT BENEFIT (Continued)

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The Town's contributions to the TMRS SDBF for the fiscal years ending December 31, 2015, 2014 and 2013 were \$2,398, \$2,420, and \$2,202, respectively, which equaled the required contributions each year.

NOTE I -- LICENSE AGREEMENT

The Town has a license agreement with Clear Channel Outdoor, Inc. for three digital billboards. The term of the agreement is 25 years, beginning on the commencement date of each billboard. Per the agreement, in 2013, the Town received a \$200,000 bonus on execution of agreement and land Clear Channel placed in escrow for the Town. The annual license payments are paid in advance and are refundable should the billboards become inoperable or not advantageous for the licensee. Unearned license payments at September 30, 2015 are \$124 thousand and are recognized as a liability on the balance sheet. Future license payment schedule are as follows:

Year	Payment
2016	\$ 200,000
2017	200,000
2018	200,000
2019	206,000
2020	206,000
2021 - 2025	1,042,360
2026 - 2030	1,073,630
2031 - 2035	1,105,837
2036 - 2038	675,303

NOTE J -- COMMITMENTS AND CONTINGENCIES

Litigation

The Town is the subject of various other claims and litigation that have arisen in the course of its operations. Management is of the opinion that the Town's liability in these cases, if decided adversely to the Town, will not have a material effect on the Town's financial position.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE J -- COMMITMENTS AND CONTINGENCIES (Continued)

Commitments

On August 21, 2012, the Town entered into an agreement with a contractor, Waste Management of Texas, Inc., to provide the service of collection and transportation of residential garbage and recycling for the Town. The agreement commenced on October 1, 2012, and shall continue for a period of five years. For the first two years of the agreement term, the base rates charged by the contractor for services will remain fixed until October 1, 2014, which then may be increased up to 2.5% per year by the contractor. The minimum contractual obligation for the Town is as follows:

Fiscal Year Ending September 30,	Minimum Contractual Obligation
2016	\$ 339,779
2017	339,779

The term of the agreement may be extended, upon the mutual consent of both of the parties, in each party's sole discretion, for up to two additional terms of two years each.

The Town entered into contracts with SpawGlass Civil Construction, Inc. and Civil Engineering Consultants for the Donnella Drive repairs. The Town entered into a contract with Durand-Hollis Rupe Architects, Inc. for the Voigt Center Project. Also the EDC entered into a contract with Sign Resource Management, Inc. for the replacement and installation of signage throughout the Town. The estimated future commitments associated with these contracts as of September 30, 2015 are as follows:

Commitment	Estimated Project Cost to Town	Expended to Date	Estimated Future Commitment
Donella Drive Repairs:			
Engineering	\$ 80,345	\$ 15,277	\$ 65,068
Construction	1,181,000	-	1,181,000
Voigt Center Project:			
Master Plan	9,800	9,800	-
Design Package	288,000	83,520	204,480
Park Improvements	69,505	15,607	53,898
Tennis Center Improvements	78,052	6,244	71,808
Signage Replacement:			
Materials	43,185	40,165	3,020
Installation	15,571	13,621	1,950
	<u>\$ 1,765,458</u>	<u>\$ 184,234</u>	<u>\$ 1,581,224</u>

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE K -- INTERFUND BORROWINGS

<i>Primary Government</i>	<u>Due From</u>	<u>Due To</u>	<u>Purpose</u>
<i>General Fund:</i>			
EDC Fund	\$ 39,090	\$ -	<i>Reimbursement for City Hall Roof Repairs</i>
Proprietary Fund	-	29,885	<i>Sewer Collections on-behalf of Proprietary Fund</i>
Nonmajor Funds	7,080	-	<i>Franchise Fee Collections on-behalf of General Fund</i>
Nonmajor Funds	-	1,470	<i>Court-Related Collections on-behalf of other funds</i>
	<u>46,170</u>	<u>31,355</u>	
<i>Proprietary Fund:</i>			
General Fund	29,885	-	<i>Sewer Collections on-behalf of Proprietary Fund</i>
	<u>29,885</u>	<u>-</u>	
<i>EDC Fund:</i>			
General Fund	-	39,090	<i>Reimbursement for City Hall Roof Repairs</i>
	<u>-</u>	<u>39,090</u>	
<i>Nonmajor Funds:</i>			
General Fund	1,470	-	<i>Court-Related Collections on-behalf of other funds</i>
General Fund	-	7,080	<i>Franchise Fee Collections on-behalf of General Fund</i>
	<u>1,470</u>	<u>7,080</u>	
Totals	<u>\$ 77,525</u>	<u>\$ 77,525</u>	

NOTE L -- RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The Town contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the Town is generally limited to the contributed amounts for losses up to \$1,000,000. Annual contributions for the year ended September 30, 2015 were \$50,433 for property and casualty and workers compensation coverage.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Economic Development Fund
- Schedule of Funding Progress – Defined Benefit Pension Plan

TOWN OF HOLLYWOOD PARK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	Favorable (Unfavorable)
REVENUES				
Ad Valorem Taxes	\$ 2,180,000	\$ 2,180,000	\$ 2,189,672	\$ 9,672
Franchise Fees	233,200	233,200	307,808	74,608
Sales Taxes	402,500	402,500	490,707	88,207
Fines and Penalties	96,900	96,900	111,152	14,252
Licenses and Permits	71,200	71,200	99,140	27,940
License Agreement	200,000	200,000	245,000	45,000
Interest Income	725	725	1,440	715
Miscellaneous	37,350	37,350	32,500	(4,850)
TOTAL REVENUES	<u>3,221,875</u>	<u>3,221,875</u>	<u>3,477,419</u>	<u>255,544</u>
EXPENDITURES				
<i>Current:</i>				
General and Administrative	498,318	501,083	459,752	41,331
Police	927,322	943,780	899,328	44,452
Fire	879,856	902,594	921,125	(18,531)
Public Works	124,069	127,896	134,001	(6,105)
Municipal Court	84,754	84,754	82,143	2,611
Recreation	46,450	46,450	48,091	(1,641)
Sanitation	380,000	380,000	339,779	40,221
Capital Outlay	200,034	202,458	178,403	24,055
<i>Debt Service:</i>				
Principal	77,093	93,827	93,827	-
Interest and Fiscal Charges	3,979	4,534	4,020	514
TOTAL EXPENDITURES	<u>3,221,875</u>	<u>3,287,376</u>	<u>3,160,469</u>	<u>126,907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(65,501)</u>	<u>316,950</u>	<u>382,451</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Disposal of Capital Assets	-	-	12,384	12,384
Proceeds from Issuance of Capital Lease	-	40,637	40,637	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>40,637</u>	<u>53,021</u>	<u>12,384</u>
Net Change in Fund Balance	-	(24,864)	369,971	394,835
Beginning Fund Balance	<u>2,185,163</u>	<u>2,185,163</u>	<u>2,185,163</u>	<u>-</u>
Ending Fund Balance	<u>\$ 2,185,163</u>	<u>\$ 2,160,299</u>	<u>\$ 2,555,134</u>	<u>\$ 394,835</u>

TOWN OF HOLLYWOOD PARK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL – ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	Favorable (Unfavorable)
REVENUES				
Sales Taxes	\$ 105,000	\$ 105,000	\$ 120,507	\$ 15,507
Interest Income	100	100	133	33
Miscellaneous	-	-	1,983	1,983
TOTAL REVENUES	<u>105,100</u>	<u>105,100</u>	<u>122,623</u>	<u>17,523</u>
EXPENDITURES				
<i>Current:</i>				
General and Administrative	64,300	64,300	77,492	(13,192)
Capital Outlay	40,800	40,800	36,352	4,448
TOTAL EXPENDITURES	<u>105,100</u>	<u>105,100</u>	<u>113,844</u>	<u>(8,744)</u>
Net Change in Fund Balance	-	-	8,779	8,779
Beginning Fund Balance	<u>258,240</u>	<u>258,240</u>	<u>258,240</u>	<u>-</u>
Ending Fund Balance	<u>\$ 258,240</u>	<u>\$ 258,240</u>	<u>\$ 267,019</u>	<u>\$ 8,779</u>

TOWN OF HOLLYWOOD PARK
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2015

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The Town maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provision embodied in the annual appropriated budget approved by the Town Council and as such is a good management control device. The following are the funds which have legally adopted annual budgets: General Fund and Economic Development Fund.

Expenditures for the Economic Development Corporation exceeded the budget.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level.

The Town does not use encumbrances.

TOWN OF HOLLYWOOD PARK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST YEAR

Total Pension Liability	
	2014
Service Cost	\$ 174,018
Interest (on the Total Pension Liability)	300,955
Changes of Benefit Terms	-
Difference between Expected and Actual Experience	32,193
Change of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	(125,037)
Net Change in Total Pension Liability	382,129
Total Pension Liability - Beginning	4,274,860
Total Pension Liability - Ending	<u>\$ 4,656,989</u>
Plan Fiduciary Net Position	
	2014
Contributions - Employer	\$ 136,240
Contributions - Employee	94,284
Net Investment Income	217,692
Benefit Payments, Including Refunds of Employee Contributions	(125,037)
Administrative Expense	(2,272)
Other	(187)
Net Change in Plan Fiduciary Net Position	320,720
Plan Fiduciary Net Position - Beginning	3,804,794
Plan Fiduciary Net Position - Ending	<u>\$ 4,125,514</u>
Net Pension Liability (Asset) - Ending	\$ 531,475
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.59%
Covered Employee Payroll	\$ 1,571,394
Net Pension Liability as a Percentage of Covered Employee Payroll	33.82%

TOWN OF HOLLYWOOD PARK
SCHEDULE OF TOWN CONTRIBUTIONS
LAST FISCAL YEAR

Schedule of Contributions:

	2014
Actuarially Determined Contribution	\$ 143,917
Contributions in Relation to the Actuarially Determined Contribution	143,917
Contribution Deficiency (Excess)	\$ -
 Covered Employee Payroll	 \$ 1,622,545
 Contributions as a Percentage of Covered Employee Payroll	 8.87%

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen (13) months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 Years
Asset Valuation Method	10 Year Smoothed Market; 15% Soft Corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including Inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009.
Mortality	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and femal rates multiplied by 103% and projected on a fully generational basis with scale BB.

SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Comparative Statements – General Fund
- Comparative Statements – Venue Tax Fund
- Comparative Statements – Economic Development Fund
- Combining Statements – Nonmajor Governmental Funds
- Comparative Statements – Proprietary Sewer Fund

TOWN OF HOLLYWOOD PARK
COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,642,215	\$ 2,355,980
Receivables (net of allowances for uncollectibles):		
Property Taxes	87,701	60,826
Other Receivables	149,458	141,241
Due from Other Funds	<u>46,170</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 2,925,544</u></u>	<u><u>\$ 2,558,047</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 78,353	\$ 140,472
Accrued Expenditures	62,336	54,181
Deposits	2,500	2,624
Due to Other Funds	31,355	-
Unearned Billboard Revenue	<u>123,562</u>	<u>123,562</u>
<i>Total Liabilities</i>	<u><u>298,106</u></u>	<u><u>320,839</u></u>
<i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenue	<u>72,304</u>	<u>52,045</u>
<i>Total Deferred Inflows of Resources</i>	<u><u>72,304</u></u>	<u><u>52,045</u></u>
<i>Fund Balances:</i>		
Unassigned	<u>2,555,134</u>	<u>2,185,163</u>
<i>Total Fund Balance</i>	<u><u>2,555,134</u></u>	<u><u>2,185,163</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 2,925,544</u></u>	<u><u>\$ 2,558,047</u></u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
REVENUES		
Ad Valorem Taxes	\$ 2,189,672	\$ 2,089,408
Franchise Fees	307,808	284,376
Sales Taxes	490,707	441,314
Fines and Penalties	111,152	121,539
Licenses and Permits	99,140	104,182
License Agreement	245,000	78,398
Interest Income	1,440	719
Miscellaneous	32,500	32,584
TOTAL REVENUES	<u>3,477,419</u>	<u>3,152,520</u>
EXPENDITURES		
<i>Current:</i>		
General and Administrative	459,752	510,951
Police	899,328	799,373
Fire	921,125	857,325
Public Works	134,001	128,623
Municipal Court	82,143	80,602
Recreation	48,091	51,700
Sanitation	339,779	339,779
Capital Outlay	178,403	176,551
<i>Debt Service:</i>		
Principal	93,827	74,225
Interest and Fiscal Charges	4,020	5,847
TOTAL EXPENDITURES	<u>3,160,469</u>	<u>3,024,976</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>316,950</u>	<u>127,544</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from Disposal of Capital Assets	12,384	-
Proceeds from Issuance of Debt	40,637	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>53,021</u>	<u>-</u>
Net Change in Fund Balance	369,971	127,544
Beginning Fund Balance	<u>2,185,163</u>	<u>2,057,619</u>
Ending Fund Balance	<u>\$ 2,555,134</u>	<u>\$ 2,185,163</u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE BALANCE SHEETS
VENUE TAX FUND
SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,354,620	\$ 1,189,414
Sales Tax Receivable	<u>41,491</u>	<u>37,443</u>
TOTAL ASSETS	<u><u>\$ 1,396,111</u></u>	<u><u>\$ 1,226,857</u></u>
LIABILITIES & FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 48,512	\$ 85
<i>Total Liabilities</i>	<u>48,512</u>	<u>85</u>
<i>Fund Balances:</i>		
Restricted for:		
Venue Construction and Maintenance	<u>1,347,599</u>	<u>1,226,772</u>
<i>Total Fund Balances</i>	<u><u>1,347,599</u></u>	<u><u>1,226,772</u></u>
TOTAL LIABILITIES & FUND BALANCES	<u><u>\$ 1,396,111</u></u>	<u><u>\$ 1,226,857</u></u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
VENUE TAX FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
REVENUES		
Sales Tax	\$ 241,013	\$ 216,771
Interest Income	673	363
Miscellaneous Income	-	965
TOTAL REVENUES	<u>241,686</u>	<u>218,099</u>
EXPENDITURES		
Recreation	5,515	4,271
Capital Outlay	115,344	4,967
TOTAL EXPENDITURES	<u>120,859</u>	<u>9,238</u>
Net Change in Fund Balance	120,827	208,861
Fund Balances at Beginning of Year	<u>1,226,772</u>	<u>1,017,911</u>
Fund Balances at End of Year	<u>\$ 1,347,599</u>	<u>\$ 1,226,772</u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE BALANCE SHEETS
ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and Cash Equivalents	\$ 285,212	\$ 271,347
Sales Tax Receivable	20,746	18,721
Prepaid Items	<u>2,738</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 308,696</u></u>	<u><u>\$ 290,068</u></u>
LIABILITIES & FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 2,587	\$ 31,828
Due to Other Funds	<u>39,090</u>	<u>-</u>
<i>Total Liabilities</i>	<u><u>41,677</u></u>	<u><u>31,828</u></u>
<i>Fund Balances:</i>		
Nonspendable for Prepaid Items	2,738	-
Restricted for Economic Development	<u>264,281</u>	<u>258,240</u>
<i>Total Fund Balances</i>	<u><u>267,019</u></u>	<u><u>258,240</u></u>
TOTAL LIABILITIES & FUND BALANCES	<u><u>\$ 308,696</u></u>	<u><u>\$ 290,068</u></u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
ECONOMIC DEVELOPMENT CORPORATION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
REVENUES		
Sales Tax	\$ 120,507	\$ 108,385
Interest Income	133	92
Miscellaneous	1,983	2,123
TOTAL REVENUES	<u>122,623</u>	<u>110,600</u>
EXPENDITURES		
<i>Current:</i>		
General and Administrative	77,492	60,335
Capital Outlay	36,352	85,162
TOTAL EXPENDITURES	<u>113,844</u>	<u>145,497</u>
Net Change in Fund Balance	8,779	(34,897)
Fund Balances at Beginning of Year	<u>258,240</u>	<u>293,137</u>
Fund Balances at End of Year	<u>\$ 267,019</u>	<u>\$ 258,240</u>

TOWN OF HOLLYWOOD PARK
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015 AND 2014

	Special Revenue Funds				
	Court Technology	Court Security	Grants & Donations	PEG Fund	Voigt Center Maintenance
ASSETS					
Cash and Cash Equivalents	\$ 5,186	\$ 14,387	\$ 4,743	\$ 27,033	\$ 48,248
Other Receivables	-	-	-	1,278	8,914
Due From Other Funds	840	630	-	-	-
TOTAL ASSETS	<u>\$ 6,026</u>	<u>\$ 15,017</u>	<u>\$ 4,743</u>	<u>\$ 28,311</u>	<u>\$ 57,162</u>
LIABILITIES & FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	7,080	-
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,080</u>	<u>-</u>
<i>Fund Balances:</i>					
Restricted For:					
Tourism Development	-	-	-	-	57,162
Municipal Court	6,026	15,017	-	-	-
Street Maintenance	-	-	-	-	-
Police Department	-	-	-	-	-
Donor Stipulations	-	-	4,743	-	-
Public Service	-	-	-	21,231	-
Assigned for Capital Projects	-	-	-	-	-
<i>Total Fund Balances</i>	<u>6,026</u>	<u>15,017</u>	<u>4,743</u>	<u>21,231</u>	<u>57,162</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 6,026</u>	<u>\$ 15,017</u>	<u>\$ 4,743</u>	<u>\$ 28,311</u>	<u>\$ 57,162</u>

Special Revenue Funds				Capital Projects Fund	Total Nonmajor Funds	
Asset Forfeiture	Hotel Tax	Street Maintenance	Asset Seizure		2015	2014
\$ 1,336	\$ 99,948	\$ 320,918	\$ 115	\$ 406,622	\$ 928,536	\$ 970,589
-	2,971	20,746	-	-	33,909	30,123
-	-	-	-	-	1,470	-
<u>\$ 1,336</u>	<u>\$ 102,919</u>	<u>\$ 341,664</u>	<u>\$ 115</u>	<u>\$ 406,622</u>	<u>\$ 963,915</u>	<u>\$ 1,000,712</u>
\$ -	\$ 6,275	\$ 7,187	\$ 2	\$ -	\$ 13,464	\$ 44,698
-	-	-	-	-	7,080	-
-	6,275	7,187	2	-	20,544	44,698
-	96,644	-	-	-	153,806	143,873
-	-	-	-	-	21,043	17,878
-	-	334,477	-	-	334,477	366,794
1,336	-	-	113	-	1,449	1,452
-	-	-	-	-	4,743	3,850
-	-	-	-	-	21,231	15,582
-	-	-	-	406,622	406,622	406,585
<u>1,336</u>	<u>96,644</u>	<u>334,477</u>	<u>113</u>	<u>406,622</u>	<u>943,371</u>	<u>956,014</u>
<u>\$ 1,336</u>	<u>\$ 102,919</u>	<u>\$ 341,664</u>	<u>\$ 115</u>	<u>\$ 406,622</u>	<u>\$ 963,915</u>	<u>\$ 1,000,712</u>

TOWN OF HOLLYWOOD PARK
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	Special Revenue Funds				
	Court Technology	Court Security	Grants & Donations	PEG Fund	Voigt Center Maintenance
REVENUES					
Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel Tax	-	-	-	-	31,674
Franchise Fees	-	-	-	5,649	-
Fines and Penalties	2,804	2,107	-	-	-
Interest Income	-	1	-	-	-
Grants and Donations Income	-	-	2,833	-	-
TOTAL REVENUES	<u>2,804</u>	<u>2,108</u>	<u>2,833</u>	<u>5,649</u>	<u>31,674</u>
EXPENDITURES					
Current:					
Administration	-	-	-	-	-
Police	-	1,747	1,940	-	-
Fire	-	-	-	-	1,520
Public Works	-	-	-	-	-
Municipal Court	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>1,747</u>	<u>1,940</u>	<u>-</u>	<u>1,520</u>
Net Change in Fund Balance	2,804	361	893	5,649	30,154
Fund Balances at Beginning of Year	<u>3,222</u>	<u>14,656</u>	<u>3,850</u>	<u>15,582</u>	<u>27,008</u>
Fund Balances at End of Year	<u>\$ 6,026</u>	<u>\$ 15,017</u>	<u>\$ 4,743</u>	<u>\$ 21,231</u>	<u>\$ 57,162</u>

Asset Forfeiture	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Funds	
	Hotel Tax	Street Maintenance	Asset Seizure		2015	2014
\$ -	\$ -	\$ 120,507	\$ -	\$ -	\$ 120,507	\$ 108,385
-	10,558	-	-	-	42,232	34,299
-	-	-	-	-	5,649	4,868
1,836	-	-	-	-	6,747	5,462
-	49	178	-	37	265	195
-	-	-	-	-	2,833	3,345
<u>1,836</u>	<u>10,607</u>	<u>120,685</u>	<u>-</u>	<u>37</u>	<u>178,233</u>	<u>156,554</u>
-	30,828	-	-	-	30,828	40,024
1,839	-	-	-	-	5,526	4,033
-	-	-	-	-	1,520	373
-	-	-	-	-	-	20,674
-	-	-	-	-	-	4,677
-	-	153,002	-	-	153,002	39,161
<u>1,839</u>	<u>30,828</u>	<u>153,002</u>	<u>-</u>	<u>-</u>	<u>190,876</u>	<u>108,942</u>
(3)	(20,221)	(32,317)	-	37	(12,643)	47,612
<u>1,339</u>	<u>116,865</u>	<u>366,794</u>	<u>113</u>	<u>406,585</u>	<u>956,014</u>	<u>908,402</u>
<u>\$ 1,336</u>	<u>\$ 96,644</u>	<u>\$ 334,477</u>	<u>\$ 113</u>	<u>\$ 406,622</u>	<u>\$ 943,371</u>	<u>\$ 956,014</u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF NET POSITION
PROPRIETARY FUND – SEWER SYSTEM
SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and Cash Equivalents	\$ 118,637	\$ 149,186
Accounts Receivable	27,791	10,260
Due from Other Funds	<u>29,885</u>	<u>-</u>
TOTAL ASSETS	<u>176,313</u>	<u>159,446</u>
LIABILITIES		
Accounts Payable	<u>11,510</u>	<u>8,202</u>
TOTAL LIABILITIES	<u>11,510</u>	<u>8,202</u>
NET POSITION		
Unrestricted	<u>164,803</u>	<u>151,244</u>
TOTAL NET POSITION	<u>\$ 164,803</u>	<u>\$ 151,244</u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND – SEWER SYSTEM
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Operating Revenues		
Charges for Utility Services	\$ 115,217	\$ 92,946
Total Operating Revenues	<u>115,217</u>	<u>92,946</u>
Operating Expenses Before Depreciation		
Waste Water Treatment Fees	101,672	94,078
Total Operating Expenses Before Depreciation	<u>101,672</u>	<u>94,078</u>
Operating Income (Loss)	<u>13,545</u>	<u>(1,132)</u>
Other Income (Expense):		
Interest Income	14	14
Total Other Income (Expense)	<u>14</u>	<u>14</u>
Change in Net Position	13,559	(1,118)
Net Position at Beginning of Year	<u>151,244</u>	<u>152,362</u>
Net Position at End of Year	<u><u>\$ 164,803</u></u>	<u><u>\$ 151,244</u></u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND – SEWER SYSTEM
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities:		
Cash Received From Customers	\$ 97,686	\$ 89,903
Cash Paid to Suppliers for Goods and Services	<u>(98,364)</u>	<u>(103,579)</u>
Net Cash Provided (Used) by Operating Activities	<u>(678)</u>	<u>(13,676)</u>
Cash Flows From Investing Activities:		
Investment Interest Received	<u>14</u>	<u>14</u>
Net Cash Provided (Used) by Investing Activities	<u>14</u>	<u>14</u>
Cash Flows From Noncapital Financing Activities:		
Interfund Borrowings	<u>(29,885)</u>	<u>-</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(29,885)</u>	<u>-</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 (30,549)	 (13,662)
 Cash and Cash Equivalents at Beginning of Year	 <u>149,186</u>	 <u>162,848</u>
 Cash and Cash Equivalents at End of Year	 <u>\$ 118,637</u>	 <u>\$ 149,186</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 13,545	\$ (1,132)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(17,531)	(3,043)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	<u>3,308</u>	<u>(9,501)</u>
Total Adjustments to Reconcile Operating Activities	<u>(14,223)</u>	<u>(12,544)</u>
 Net Cash Provided (Used) by Operating Activities	 <u>\$ (678)</u>	 <u>\$ (13,676)</u>

